Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates, 2 June – 4 June 2009

Question: bet 21

Topic: Fringe Benefits Tax Concession for Private Use of Company Cars

Hansard Page: Written

Senator Ludlam asked:

1. How much did the FBT concession cost the Government and Australian taxpayer in 2008-09?

2. How much is it estimated the FBT concession will cost the Government and Australian taxpayer in 2009-10?

3. Is the Minister aware that company and government cars attracting the FBT concession make up for 40% of peak hour traffic in Australian cities?

4. Did the Government consider the abolition or amendment of the FBT concession in the preparation of Budget 2009-10?

5. If not, why not?

Answer:

1 & 2: The 2008 *Tax Expenditures Statement* estimated the aggregate value of concessions related to the application of statutory formula to value car fringe benefits to be $1.83 billion for 2008-09 and $1.97 billion for 2009-10.

3: Figure 8.3 in the *Review of Australia's Automobile Industry* provides data that is consistent with the supposition that drivers aim for particular kilometre bands in order to reduce their fringe benefits tax (FBT) liability.

4. & 5. It is longstanding practice of successive Governments that they do not comment on what may or may not have been considered in the context of a Budget.